(b) The CBEC has adequate manpower with the expertise necessary to handle the duties assigned to it under the Act.

(c) The question of winding up the CBEC does not arise. The issue of corruption is, however, constantly under close watch. Several steps have been taken to minimize the scope and possibilities for corruption. These include continuous simplification of rules and procedures, increasing use of information technology to reduce the interface of the members of the public with the staff of the Department, tightening of the vigilance machinery, posting of officers of integrity and efficiency in the Departmental vigilance organization, not giving sensitive postings to officers of doubtful integrity, keeping watch on the life-style of officers, etc.

New Norms of term lending companies

3165. SHRI RUMANDLA RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India had decided to give a new norms for term lending companies;

(b) if so, what are the details of these categories for term lending; and

(c) to what extent it will be helpful for projects under implementation (PUIs)?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes Sir. To ensure that loan assets relating to projects implementation (PUI) are appropriately classified and asset quality correctly reflected, Reserve Bank of India has issued revised guidelines on 1-2-2002 to both term lending and refinancing institutions *viz.* IDBI, ICICI, IFCI, TFCI, IIBI, EXIM BANK, IDFC, NABARD, NHB and SIDBI.

(b) and (c) Under the new guidelines, the projects under implementation are grouped into three categories for the purpose of determining the date when the project ought to be completed.

Category I— Projects where financial closure had been achieved and formally documented

Category II— Projects with original project cost of Rs. 100 crore or more

Category III— Projects with original project cost of less than Rs.100 crore

In case of category-I (which would normally be infrastructure projects or large value manufacturing projects financed after 1997), the asset may be treated as standard asset only for a period of two years beyond the date for completion of the project, as originally envisaged at the time of initial financial closure of the project. In case of projects where financial closure has not been formally documented, the norms for category-III would apply.

In case of category-II projects sanctioned prior to 1997 and where the date of financial closure had not been formally documented an independent group is to be constituted with the experts from the lending institutions as well as outside experts in the field. The group would decide on a project by project basis, the deemed date of completion of the project. In such cases the asset may be treated as standard only for a period not exceeding two years beyond the date of completion of the project, as decided by the group. In case of category-III projects, sanctioned prior to 1997, where the financial closure was not formally documented, the date of commencement of commercial production would be deemed to be the date of exactly two years after the date of completion of the project, as originally envisaged at the time, of sanction. The new guidelines would lay down a specific time frame upto which a loan asset of a PUI, can be categorized as a standard asset. This would help in ascertaining the health of PUI on the basis of a definite criterion in an objective manner.